

OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS *

 *

COUNTY OF TARRANT *

This Agreement made and entered into as of the date herein specified by and between Robert Haltom; Jane H. Cote; Dana H. Freese; June McAllister, individually and as Independent Executrix of the Estate of Theodore F. Morton, Jr.; Theodore F. Morton III; Edwin N. Morton; Julia Cara Morton; The Estate of Julia Morton Huber; Hazelwood Partners, L.P., a Texas limited partnership; Edna B. Hibbitts; Edna H. Wright; William Porter Hibbitts; and John M. Hibbitts, whose addresses are provided under provision 18 Notices (hereinafter sometimes collectively referred to as "Lessor") and Dale Property Services, L.L.C., whose address is 2100 Ross Avenue, Suite 1870, Dallas, Texas 75201 (hereinafter referred to as "Lessee"):

W I T N E S S E T H1. GRANTING CLAUSE

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, of the royalties herein provided and of the covenants of Lessee herein contained, hereby Grants, Leases and Lets exclusively unto Lessee for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, and producing, oil, gas and all other liquid or gaseous minerals including sulfur produced as a component of oil and gas through the bore hole of an oil and gas well (the "Minerals") and laying the lines and erecting the tanks necessary to produce, save and transport products produced therefrom, the land (the "Leased Premises") in Tarrant County, Texas, described in Exhibit "A" attached hereto and by reference made a part hereof.

All mineral rights other than to the Minerals are expressly reserved to Lessor. These reserved mineral rights include the rights to lignite, coal and sulfur not produced as a component of oil and gas.

For the purpose of determining the amount of any bonus payment hereunder, said Leased Premises shall be deemed to contain 45.4501 acres, whether actually containing more or less.

2. PRIMARY TERM AND DRILLING COMMITMENT

Subject to the other provisions herein contained, this Lease shall be for a term of twenty-four (24) months from the date of the notarial acknowledgment of the last Lessor's execution of this instrument (hereinafter called "primary term") and so long thereafter as Minerals are produced from the Leased Premises, or lands pooled therewith, in paying quantities, or drilling operations are in progress thereon as hereinafter provided. Lessee agrees to obtain all governmental approvals and permits required in order to allow the production of the Minerals. Lessor agrees to cooperate with Lessee and participate to the extent necessary to assist Lessee, but at Lessee's sole cost and expense, in obtaining all governmental approval and permits necessary to allow the production of the Minerals.

3. DELAY RENTALS

Notwithstanding any other provisions which may be contained herein, no delay rentals are due under this Lease.

4. POOLING

Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be required by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern by the governmental authority having jurisdiction. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision,

the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. REWORKING AND CONTINUOUS DRILLING OF WELLS

In the event production of oil or gas from the Leased Premises, once obtained, shall cease for any cause after the expiration of the primary term of this Lease, this Lease shall not terminate (i) if Lessee commences reworking operations within ninety (90) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in a workmanlike manner without an interruption totaling more than ninety (90) days; and if such reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or shut-in payments are tendered to Lessor as provided herein or (ii) if production in paying quantities is restored within ninety (90) days after such cessation.

If there is no production in paying quantities at the end of the primary term, this Lease and the Leased Premises shall revert to Lessor free and clear of the terms of this Lease, with the exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the Leased Premises, then the entire Lease shall remain in full force and effect so long as continuous drilling operations are being conducted on such property, and such continuous drilling operations shall be construed to mean that no more than one hundred eighty (180) days shall elapse between the completion of drilling or abandonment as a dry hole or as a producing oil and/or gas well and the commencement of the drilling of a subsequent well on the Leased Premises.

"Completion of drilling" as used herein means, as to dry holes, the date Lessee releases the drilling rig used to drill such well or the date such rig is moved off of the location, whichever date occurs first, and as to producing wells, the date Lessee has run casing and production casing or tubing and has perforated and/or tested the well; except that for producing wells which are "fraced" by Lessee, "completion of drilling" shall mean the earlier to occur of (i) 45 days from the date Lessee releases the drilling rig used to drill such well or the date such rig is moved off of the location, whichever date occurs first, or (ii) the date Lessee completes such "fracing" operations and conducts a flow test on the well. "Commencement of drilling" as used herein means the date Lessee commences actual drilling with rotary drilling tools of a suitable size necessary to reach the object depth.

6. RETAINED ACREAGE

A. Vertical Wells

At the expiration of the primary term of this Lease or upon the termination of the continuous drilling program set forth in Paragraph 5, each producing well drilled hereon will hold only the acreage allocated to said well as a proration unit or pooled unit by the proper governmental authority having jurisdiction. All other acreage except that included in a proration unit or pooled unit will be released ("Partial Termination"). Forty (40) acres will be deemed to be the proration unit for each oil well and 40 acres will be deemed to be a proration unit for each gas well. To the extent possible each such proration unit will be in the shape of a square, with the well in the center. Further, it is understood and agreed that Lessee shall earn depths as to each proration unit or pooled unit only to all sands and horizons at all depths from the surface down to a depth which is the stratigraphic equivalent of a depth of one hundred feet (100') below the deepest depth drilled on such proration unit or pooled unit at the expiration of the primary term of this Lease or upon the termination of the continuous drilling program set forth in Paragraph 5, and that this Lease will terminate at such time as to all depths below such depths as to each respective proration unit or pooled unit. If production should thereafter cease as to acreage included in a proration unit or pooled unit, this Lease will terminate as to such acreage unless Lessee commences reworking or additional drilling operations on such acreage within ninety (90) days thereafter and continues such reworking or additional drilling operations until commercial production is restored thereon, provided that if more than ninety (90) days pass between the abandonment of such well and the commencement of actual drilling operations for an additional well, or more than ninety (90) days pass since the commencement of reworking operations without the restoration of commercial production, the Lease shall terminate as to the applicable proration unit.

B. Horizontal Wells

It is expressly understood and agreed that, subject to the other terms, provisions and limitations contained in this Lease, Lessee shall have the right to drill "horizontal wells" on the Leased Premises, or lands pooled therewith. The term "horizontal well" or "horizontally drilled well" shall mean any well that is drilled with one or more horizontal drainholes having a horizontal drainhole displacement of at least five hundred eighty-five (585) feet. For the purposes of further defining the term "horizontal wells" and "horizontally drilled" reference is made to the definitions contained within Statewide Rule 86, as promulgated by the Railroad Commission of Texas, which definitions are incorporated herein for all purposes.

In the event of any Partial Termination as herein defined, then, with regard to a well which is a horizontal well or a horizontally drilled well, Lessee shall only be entitled to retain all sands and horizons at all depths from the surface down to a depth which is the stratigraphic equivalent of a depth of one hundred (100) feet below the deepest producing formation in such well which is capable of producing oil and gas in paying quantities, but only in a spacing unit the area or number of acres of which are equal to the area or number of acres determined by adding twenty (20) acres for each five hundred eighty-five (585) feet horizontally drilled to the original forty (40) acres deemed to be a proration unit for each vertical well. Each such tract around each horizontally drilled well shall be as nearly in the shape of a square or a rectangle as is practical with the

boundaries of the tract including the entire horizontal drainhole and the lateral boundaries of such tract being approximately equal distance from such drainhole and parallel thereto.

If production should thereafter cease as to acreage included in a proration unit or pooled unit, this Lease will terminate as to such acreage unless Lessee commences reworking or additional drilling operations on such acreage within ninety (90) days thereafter and continues such reworking or additional drilling operations until commercial production is restored thereon, provided that if more than ninety (90) days pass between the abandonment of such well and the commencement of actual drilling operations for an additional well, or more than ninety (90) days pass since the commencement of reworking operations without the restoration of commercial production, the Lease shall terminate as to the applicable proration unit.

C. Release of Lease

At any time or times that this Lease terminates as to all or any portion of the acreage of the Leased Premises, Lessee shall promptly execute and record in the office of the County Clerk in the County where the Leased Premises are located, a proper release of such terminated acreage and shall furnish executed counterparts of each such release to Lessor at the address shown in Paragraph 18 hereof.

7. OFFSET OBLIGATIONS

In the event a well or wells producing oil or gas should be brought in on land within 330 feet from any boundary of the Leased Premises for wells producing oil ("Oil Boundary"), or within 330 feet from any boundary of the Leased Premises for wells producing gas ("Gas Boundary"), then to the extent allowed by any governmental body (state or municipal) having jurisdiction, Lessee agrees within one hundred and twenty (120) days from commencement of production from such well or wells to commence the actual drilling of an offset well or wells on the Leased Premises within the boundaries of an Operations Site, if any, located with 330 feet of an Oil Boundary or 330 feet if a Gas Boundary ("Offsetting Operations Site"); provided that the well or wells which is/are to be offset are producing in paying quantities and is/are making no less than fifty percent (50%) of the allowable permitted under rules and regulations of the Texas Railroad Commission; or Lessee shall release to Lessor free of this Lease the offsetting tract of at least forty (40) acres. Provided, however, if the Offsetting Operations Site located the shortest distance from the offset well is already committed to a well operated by Lessee that is producing from the same geological formation as such offset well, or if there is no Offsetting Operations Site or if there is already a producing well on the Leased Premises or lands pooled therewith, there shall be no obligation upon Lessee to drill an offset well.

The foregoing offset obligation shall not become effective until the later of (1) the expiration of the primary term of the Lease or (2) the termination of the continuous drilling program set forth in Paragraph 5.

8. FORCE MAJEURE

A. The term "force majeure" as used herein shall mean and include: requisition, order, regulation, or control by governmental authority or commission; exercise of rights or priority or control by governmental authority for national defense or war purpose resulting in delay in obtaining or inability to obtain either material, equipment or means of transportation normally necessary in prospecting or drilling for oil, gas or other mineral granted herein, or in producing, handling or transporting same from the Leased Premises; war, scarcity of or delay in obtaining materials or equipment; lack of labor or means of transportation of labor or materials; acts of God; insurrection; flood; or strike. Failure or inability of Lessee to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production is not "force majeure."

B. Notwithstanding any other provisions of this Lease, but subject to the conditions hereinafter set forth in this Paragraph 8, should Lessee be prevented by "force majeure" as defined above, from conducting drilling or reworking operations on, or producing oil, gas or other mineral from, the Leased Premises, such failure shall not constitute a ground for the termination of this Lease or subject said Lessee to damages therefor; and the period of time during which Lessee is so prevented shall not be counted against Lessee, but this Lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting such drilling or reworking operations on, or producing oil, gas or other mineral from, such Leased Premises. All of the provisions of this paragraph are subject to each of the following express conditions:

The terms and conditions of this paragraph shall not extend beyond the expiration date of any law, order, rule or regulation invoked under this paragraph, and shall be applicable and effective only during the following periods:

(1) If the force majeure shall occur during the primary term of this Lease, it shall not operate to extend this Lease more than two (2) consecutive years beyond the expiration of the primary term.

(2) If the force majeure shall occur during a ninety (90) day drilling or reworking period provided for in Paragraphs 5 and 6 hereof, after the primary term has expired, then it shall not operate to extend the Lease more than two (2) successive years beyond the expiration of such ninety (90) day period.

C. None of the provisions of this paragraph shall ever be or become effective and applicable unless Lessee shall, within a reasonable time (not to exceed sixty (60) days in any event) after occurrence of the claimed event of force majeure above referred to, notify the Lessor, in writing, of such occurrence with full particulars thereof.

D. The terms of this Paragraph do not apply to monetary payments due under the terms of this Lease.

9. SHUT-IN GAS WELL PROVISIONS

If at any time after the earlier of (1) the expiration of the primary term of this Lease or (2) the termination of the continuous drilling program set forth in Paragraph 5 there is a well on the Leased Premises or land pooled therewith which is capable of producing gas in paying quantities, but the production thereof is shut-in or suspended for any reason, and if this Lease is not then continued in force by some other provision hereof, then this Lease shall nevertheless continue in force as to such well and the pooled unit or proration unit allocated to it for a period of ninety (90) days from the date such well is shut-in. Before the expiration of any such ninety (90) day period, Lessee or any Assignee hereunder may pay to the Lessor an advance annual royalty equal to Five Thousand Dollars (\$5,000.00) per shut-in gas well and if such payment or tender is timely made, this Lease shall continue in force but only as to said well or wells and the proration unit or the pooled unit allocated to it or them and it shall be considered that gas is being produced from said well or wells in paying quantities. Following the expiration of the Primary Term, the right of Lessee to maintain this Lease in force by payment of shut-in gas royalty is limited to the period of two (2) consecutive years or for shorter terms at various intervals not to exceed two (2) years in the aggregate within any ten (10) year period. The ten (10) year periods referred to in this paragraph shall be consecutive, beginning with the first such period which commences on the first day that this lease is maintained by virtue of the language stated above in this paragraph and later ten (10) year periods shall commence at the end of each prior ten (10) year period. For example purposes only, if the a well is shut-in on January 1, 2010 and such well is shut-in for an aggregate period of two (2) years after such date, then Lessee may not shut-in such well again until the expiration of the ten (10) year period which would end on December 31, 2019. On January 1, 2010, a new ten (10) year period will begin in which Lessee may then shut-in the well when it deems necessary, but for no longer than two (2) consecutive years or two (2) years in the aggregate. Shut-in royalties paid hereunder shall not be deducted from subsequent royalties based upon the sale of gas from such well or wells.

Should such shut-in royalty payments not be made in a timely manner as provided in this Paragraph 9, it will be considered for all purposes that there is no production and no excuse for delayed production of gas from any such well or wells, and unless there is then in effect other preservation provisions of this Lease, Lessor may, at Lessor's option, elect to terminate this Lease by sending written notice to Lessee. Lessee shall then have thirty (30) days from the date of service of such written notice in which to avoid termination of this Lease by making or causing to be made the proper shut-in royalty payment or payments that should have been paid. If such shut-in royalty payment is not made on or before the expiration of the 30-day period, or written approval is not obtained from Lessor to defer such payment, Lessor may elect to terminate this Lease by filing a Notice of Termination with the County Clerk in the county where the Leased Premises are located. The effective date of said termination shall be the date said Notice of Termination is filed with the said County Clerk. Thereafter, any such shut-in well or wells shall belong to Lessor except the surface equipment which Lessee shall be permitted to remove as soon as practicable after the effective date of said termination.

The obligation of Lessee to pay shut-in royalties is a condition and not a covenant.

10. ROYALTIES

Lessee shall pay to Lessor the following royalties, which shall be free of all costs of any kind, including, but not limited to, costs of gathering, production, transportation, treating, compression, dehydration, processing, marketing, trucking or other expense, directly or indirectly incurred by Lessee, whether as a direct charge or a reduced price or otherwise. If the gas purchase contract makes any deductions for the expenses of dehydrating, transporting, compressing, manufacturing, processing, treating, gathering or marketing of such gas, then such deductions shall be added to the price received by Lessee for such gas for the purpose of the payment of royalties. In this regard, Lessee agrees to bear one hundred percent (100%) of all costs and expenses incurred in rendering hydrocarbons produced on or from the Leased Premises marketable and delivering the same into the purchaser's pipeline for immediate transportation to an end user or storage facility. Additionally, said royalties shall never bear, either directly or indirectly, under any circumstances, the costs or expenses (including depreciation) to construct, repair, renovate or operate any pipeline, plant, or other facilities or equipment used in connection with the treating, separation, extraction, gathering, processing, refining, transporting, manufacturing or marketing of hydrocarbons produced from the Leased Premises or lands pooled therewith.

A. On oil, gas (including flared gas) and casinghead gas, together with any other liquid or gaseous hydrocarbons recovered by lease operations such as drips or separators, twenty-five percent (25%) of the proceeds of the sale or of the market value thereof, whichever is higher. Such oil, gas and casinghead gas, together with any other liquid or gaseous hydrocarbons recovered by lease operations, is to be delivered free of cost at the well or to the credit of the Lessor into pipelines, gathering lines, barges or other facilities to which the wells and tanks on the property may be connected; or to be delivered in kind at the well or into tanks, gathering lines, barges or other shipping facilities provided by Lessor at Lessor's option and expense, such option to be exercised by Lessor from time to time, but for periods of not less than six (6) months at a time after ninety (90) days written notice to Lessee of Lessor's intention to take in kind such oil, gas or other hydrocarbons.

B. On products, twenty-five percent (25%) of the gross market value or proceeds of sale thereof, whichever is higher.

C. On residue gas or gas remaining after separation, extraction or processing operations, twenty-five percent (25%) of the proceeds of sale or of the market value thereof, whichever is higher.

D. For purposes of this Paragraph 10, the term "market value" shall mean for gas and products therefrom (i) the gross price at which gas or products therefrom are sold pursuant to a Gas Contract, as defined below, net of third party transportation, compression and fuel cost, or (ii) if not sold pursuant to a Gas Contract, as defined below, the highest net price reasonably obtainable for the quantity of gas or products available for sale, through good faith negotiations for gas or products produced from the Leased Premises at

the place where such gas or product is available for sale on the date of such contract and such contract has adequate provisions for redetermination of price at intervals of no less frequency than one (1) year to ensure that the production is being sold for no less than the current market price. Included within the definition of "Market Value" as used herein is the presumption that Gas Contracts to be ratified by Lessor are arms-length contracts with purchasers who are not subsidiaries or affiliates of Lessee. In the event that any of the Gas Contracts involve purchasers who are subsidiaries or affiliates of Lessee, specifically including Texas Midstream Gas Service, L.L.C., the term "market value" shall mean the price for which Texas Midstream Gas Service, L.L.C. or any other subsidiary or affiliate of Lessee shall sell the gas produced from the Leased Premises to a non-affiliated third party. Lessor agrees to bear Lessor's twenty-five percent (25%) proportionate share of the actual expenses paid by Lessee Texas Midstream Gas Service, L.L.C. or any other subsidiary or affiliate of Lessee as charges for transportation, gathering, compression, dehydration or cleansing expenses incurred to make the gas ready for market; provided, however, it is agreed by the parties hereto that such expenses of Lessee of which Lessor pays Lessor's proportionate share shall not exceed \$.40 per mcf (i.e., such expenses charged to Lessor will not exceed \$.10 per mcf), subject to increase in proportion to changes in the Consumer Price Index. In no event shall "market value" ever be less than the amount actually received by the Lessee for the sale of hydrocarbons.

Upon written request, Lessor and Lessee agree that Lessor will be provided with the price for which Texas Midstream Gas Service, L.L.C. or any other affiliate or subsidiary of Lessee sells the gas produced from the Leased Premises to a non-affiliated third party and also the expenses of transportation, gathering, compression, dehydration and cleansing expenses incurred to make the gas ready for market that are charged by such affiliate or subsidiary to Lessee.

In no event will Lessor be charged any costs and expenses of processing, treatment, dehydration, compression, transportation, manufacture, marketing or production that are charged or allocated by Lessee.

As used in this lease, an "affiliate" includes, but is not limited to, the parent company or a subsidiary of Lessee, a corporation or other entity having common ownership with Lessee, a partner or joint venturer of Lessee with respect to the ownership or operation of the processing plant, a corporation or other entity in which Lessee owns a ten percent (10%) or greater interest, or any individual, corporation or other entity that owns a ten percent (10%) or greater interest in Lessee.

It is the intent of the parties that the provisions of this Section 10(D) are to be fully effective and enforceable and are not to be construed as "surplusage" under the principals set forth in *Heritage Resources v. NationsBank*, 939 S.W.2d 118 (Tex. 1997).

E. All royalties hereinabove provided shall be payable in cash (unless Lessor elects to take such royalty oil or gas in kind) to Lessor within one hundred twenty (120) days following the first commercial sale of production and thereafter no more than sixty (60) days after the end of the month following the month during which production takes place. Subject to the provisions of Paragraph 9 of this Lease concerning shut-in wells, royalties shall be paid to Lessor by Lessee and/or its assigns or by the product purchaser for oil and/or gas. Upon the failure of any party to pay Lessor the royalty as provided in this paragraph, Lessor may, at Lessor's option, elect to terminate this Lease by sending written notice to Lessee. Lessee shall then have thirty (30) days from the date of service of such written notice in which to avoid termination of this Lease by making or causing to be made the proper royalty payment or payments that should have been paid. If such royalty payment is not made on or before the expiration of the 30-day period, or written approval is not obtained from Lessor to defer such payment, Lessor may elect to terminate this Lease by filing a Notice of Termination with the County Clerk in the county where the Leased Premises are located. The effective date of said termination shall be the date said Notice of Termination is filed with the said County Clerk.

F. Lessee agrees that it will not enter into any contract for the sale, delivery, transporting or processing of gas produced from the Leased Premises which shall extend more than two (2) years from the effective date of such sales contract unless such contract has adequate provisions for redetermination of price at intervals of no less frequency than one (1) year to ensure that production from this Lease is not being sold for less than the then current market value.

G. In the event Lessee enters into a gas purchase contract which contains what is commonly referred to as a "take or pay provision" (such provision meaning that the gas purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a specified price or to make minimum periodic payments to the producer for gas not taken by the purchaser) and the purchaser under such gas purchase contract makes payment to Lessee by virtue of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to twenty-five percent (25%) of all such sums paid to Lessee or producer under the "pay" provisions of such gas purchase contract. Such royalty payments shall be due and owing to Lessor within sixty (60) days after the receipt of such payments by Lessee. If the gas purchaser "makes up" such gas within the period called for in the gas contract and Lessee is required to give such purchaser a credit for gas previously paid for but not taken, then Lessor shall not be entitled to royalty on such "make up" gas. If Lessee is not producing any quantities of gas from the Leased Premises but is receiving payments under the "pay" portion of such "take or pay" gas purchase contract provision, such payments shall not relieve Lessee of the duty to make shut-in royalty payments if Lessee desires to continue this Lease, but such "take or pay" royalty payments shall be applied as a credit against any shut-in royalty obligation of the Lessee. Lessor shall be a third-party beneficiary of any gas purchase contract and/or transportation agreement entered into between Lessee and any purchaser and/or transporter of Lessor's gas, irrespective of any provision of said contracts to the contrary, and such gas purchase contract and/or transportation agreement will expressly so provide. Further, Lessor shall be entitled to twenty-five percent (25%) of the value of any benefits obtained by or granted to Lessee from any gas purchaser and/or transporter for the amendment, modification, extension, alteration, consolidation, transfer, cancellation or settlement of any gas purchase contract and/or transportation agreement.

H. Lessee agrees that before any gas produced from the Leased Premises is used or sold off the Leased Premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease and Lessor properly compensated therefor.

I. Any payment of royalty or shut-in gas royalty hereunder paid to Lessor in excess of the amount actually due to the Lessor shall nevertheless become the property of the Lessor if Lessee does not make written request to Lessor for reimbursement within one (1) year from the date that Lessor received the erroneous payment, it being agreed and expressly understood between the parties hereto that Lessor is not the collecting agent for any other royalty owner under the lands covered hereby, and a determination of the name, interest ownership and whereabouts of any person entitled to any payment whatsoever under the terms hereof shall be the sole responsibility of Lessee. It is further expressly agreed and understood that: (i) this provision shall in no way diminish the obligation of Lessee to make full and punctual payments of all amounts due to Lessor or to any other person under the terms and provisions of this Lease, and (ii) any overpayments made to the Lessor under any provisions of this Lease shall not be entitled to be offset against future amounts payable to parties hereunder.

J. The terms of this Lease may not be amended by any division order and the non-execution of any division order by any of the Lessors named above shall not delay any of the other Lessors mentioned above, that have already signed his or her own division order, from receipt of his or her royalty payment.

K. Lessee shall pay Lessor royalty on all gas produced from a well on the Leased Premises and sold or used off the Leased Premises, regardless of whether or not such gas is produced to the credit of Lessee or sold under a contract executed by or binding on Lessee. Should gas be sold under a sales contract not binding on Lessee, Lessor's royalty will be calculated based on the highest price paid for any of the gas produced from the well from which such gas is produced. In no event will the price paid Lessor for Lessor's share of gas be less than the price paid Lessee for Lessee's share of gas.

L. Gas produced from the Leased Premises shall not be commingled with gas produced from any other lands not pooled therewith prior to the point where the gas produced from the Leased Premises passes through the meter which will measure the gas for calculating the payment made by the Purchaser of gas production. In addition, any gathering system constructed on the Leased Premises shall not be used for transporting gas produced from land not covered by this Lease.

11. INFORMATION ACCESS AND REPORTS

A. Lessor at its sole risk and expense, shall have free access at all times to all wells, tanks, and other equipment on the Leased Premises, including drilling wells, and Lessee agrees to make available, at Lessee's offices, to Lessor or Lessor's nominee, all well information, including cores, cuttings, samples, logs (including Schlumberger and other electrical logs), and results of deviation tests and directional surveys, and the results of all drill stem tests and other tests of other kind or character that may be made of wells on the Leased Premises. Lessor or Lessor's nominee shall have free access at all reasonable times to Lessee's books and records relative to the production and sale of oil, gas or other minerals from the Leased Premises, including reports of every kind and character to governmental authorities, State or Federal. Lessor shall have the right at its election to employ gaugers or install meters to gauge or measure the production of all minerals produced from the premises, and Lessee agrees to make available, at Lessee's offices, to Lessor or Lessor's gauger or nominee run or gauge tickets for all Minerals removed from the premises. Lessee shall furnish to Lessor daily drilling reports on each well drilled or provide Lessor with website and password information to permit Lessor to access drilling reports.

B. Lessee shall furnish to Lessor, upon written request, the names and addresses of the parties to, and an outline of the pricing provisions of, any gas purchase contract or transportation agreement entered into in connection with the Leased Premises, or if there is already a gas purchase contract or transportation agreement in effect due to Lessee's operations in the field, then such an outline of that contract. Furthermore, notice of any amendments to the gas purchase contract or transportation agreement shall be furnished to said Lessor within thirty (30) days after request therefor. The foregoing technical data in A. and B. hereof and gas contract information (but not including production volumes or prices paid for gas) shall be solely for Lessor's use, and Lessor shall in good faith attempt to keep same confidential after acquiring same from Lessee.

12. SURVEYS, ABSTRACTS, TITLE OPINIONS AND CURATIVE WORK

A. If Lessee shall cause any of the exterior or interior lines of the property covered by this Lease to be surveyed, Lessee shall furnish Lessor a copy of such survey upon written request. Whenever Lessee files a report with the Railroad Commission of Texas or other governmental authority having jurisdiction, including, but not limited to, applications to drill, well tests, completion reports, plugging records and production reports concerning any well drilled to recover the minerals upon the Leased Premises, Lessee shall, upon written request, deliver a copy of the report to Lessor.

B. In the event Lessee causes an abstract of title to be prepared covering the property herein leased, or any portion thereof, Lessor shall have access to said abstract upon written request. In the event Lessee shall cause the title to be examined or should obtain a title opinion or title certificate upon the property herein leased, Lessee agrees to furnish Lessor a copy or photostatic copy thereof upon written request, with the understanding that neither Lessee nor the attorney or firm of attorneys rendering the opinion or certificate shall be responsible to Lessor for its correctness, the said opinion or certificate being furnished to Lessor simply for Lessor's own convenience, information and personal use. Similarly, if any curative material is

obtained by Lessee, a copy thereof shall be furnished Lessor, upon written request, under the same conditions of non-liability on the part of the Lessee or the persons who may have obtained or prepared the same.

13. USE OF THE SURFACE AND SUBSURFACE

A. Lessee may not under any circumstances enter upon the surface of the lands described in Exhibit "A" without the express prior written permission of Lessor or his/her successor(s) in interest.

E. Subject to the other provisions of this Lease, Lessee shall have the right under this Lease: (i) to explore the subsurface of the Leased Premises, and (ii) to drill, or otherwise operate under, and produce from, any portions of the subsurface of the lands described in Exhibit "A" as to which this Lease remains in force from wells located on surface locations off of such lands.

14. ASSIGNABILITY BY LESSEE

Lessee may assign this lease to any entity that Lessee wishes provided Lessee remains the operator of this Lease. Any other assignment requires the express prior written permission of Lessor, which permission will not be unreasonably withheld provided the Assignee has experience with horizontal drilling in the Barnett Shale and is a solvent, reputable and recognized oil and gas industry entity. Provided that, Lessor's permission shall not be required in connection with the merger or combination of Lessee and another entity, or a sale of all or substantially all of Lessee's leases in Tarrant County.

For any transfer or assignment of the Leased Premises, the transferee or assignee must specifically agree in writing to comply with the provisions of this lease. All transfers (including assignments, sales, subleases, overriding royalty conveyances, or production payment arrangements) must be recorded in the county where the Lease is located, and the recorded transfer or a copy certified by the County Clerk of the county where the transfer is recorded must be delivered to the Lessor within ninety (90) days of the execution date. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the Lessor by the original Lessee or any prior transferee of the lease, including any liabilities to the Lessor for unpaid royalties.

15. ASSIGNABILITY BY LESSOR

The rights of Lessor hereunder may be assigned in whole or in part, and the provisions hereof shall extend to Lessor's heirs and assigns, but no change or division in the ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee and no such change in ownership shall be binding on Lessee for any purpose until thirty (30) days after Lessee has been furnished with a certified copy of the recorded instrument or instruments or other evidence satisfactory to Lessee of such change of ownership.

16. NO WARRANTY

This lease is given and granted without warranty, express or implied, in law or in equity. Lessor agrees that Lessee, at Lessee's option, may purchase or discharge, in whole or in part, any tax, mortgage or other lien upon the Leased Premises and thereupon be subrogated to the rights of the holder thereof, and may apply royalties accruing hereunder toward satisfying same or reimbursing Lessee. It is also agreed that if Lessor owns an interest in the Leased Premises less than the entire fee simple estate, the royalties to be paid Lessor shall be reduced proportionately. But in no event shall the shut-in royalty amount for a gas well (\$5,000.00), as provided for in Paragraph 9 hereof, be reduced when and if paid to Lessor.

17. INDEMNITY

Lessee agrees to hold Lessor harmless from all claims for damages caused to stock, crops, trapping or grazing lands, fences, buildings or other structures, and from any and all claims for injuries to (including death of) persons or damage to property in connection with the drilling of any of its wells or other operations under this Lease, and to defend at Lessee's expense any suit brought against Lessor on account of such claims, including all claims involving environmental matters, as well as any alleged violation of any state, local or federal rule or regulation, allegedly occasioned by, or allegedly arising out of, or allegedly resulting from Lessee's operations on the Leased Premises, and to pay any judgment against Lessor resulting from any such suit. Lessee further agrees that it will use due care to avoid damage to, or destruction of, stock, crops, land, timber, fences, buildings and other structures belonging to Lessor and will use due care to avoid damage to the value of Lessor's lands as farming, trapping and grazing lands, and that Lessee will compensate Lessor for any damage suffered by Lessor as the result of any such damage and/or destruction.

Lessor agrees to indemnify Lessee and hold it harmless from all claims, damages, losses, judgments and causes of action (and defend at Lessor's expense any suit against Lessee) resulting or arising from Lessor's conduct or operations or negligence, if any, on the Leased Premises.

Lessee assumes full responsibility and liability between the parties hereto for any pollution caused by Lessee's operations and agrees to promptly remedy and clean up any such pollution at Lessee's sole expense and to hold Lessor harmless from all claims for damages caused by such pollution. Lessee agrees to defend at Lessee's expense any such suit brought against Lessor on account of such claims, and to pay any judgment against Lessor resulting from any such suit.

18. NOTICES

A. All notices, information, letters, surveys, reports, material, and all other documents required or permitted to be sent to Lessor by Lessee shall be sent by certified United States mail, postage prepaid, return receipt requested, to the following addresses:

Robert Haltom
4100 Denton Highway
Haltom City, Texas 76117

Jane H. Cote
3058 Parr Lane
Grapevine, Texas 76051

Dana H. Freese
112 Rivercrest Drive
Fort Worth, TX 76107

June McAllister
P.O. Box 1066
Alto, NM 88312

Theodore F. Morton III
844 Westwind Cr 1411
Fort Worth, Texas, 76116

Edwin N. Morton
1280 Niblick Rd.
Paso Robles, CA 93446

Julia Cara Morton
P.O. Box 1702
Angel Fire, NM 87710

Estate of Julia Morton Huber
c/o Law Office of Michael Kensel
4200 South Hulen, Suite 417
Fort Worth, TX 76109

Hazelwood Partners, LP
c/o O. P. Newberry III
120 Hazelwood Drive
Fort Worth, TX 76107-1411

Edna B. Hibbitts
2101 Oaklawn Drive
Midland, TX 79705

Edna H. Wright
976 Grandon Avenue
Columbus, Ohio 43209

William Porter Hibbitts
1390 Brentwood
Yardley, Pa 19067

John M. Hibbitts
101 Creek Drive
Laurens, SC 29360

B. All notices required or permitted to be sent to Lessee by Lessor shall be sent to Lessee by certified United States mail, postage prepaid, return receipt requested, to the following address:

Chesapeake Exploration LLC
PO Box 18496
Oklahoma City, OK 73154

C. Service of notices and other documents hereunder is complete upon deposit of the mailed material in a post office or official depository under the care and custody of the United States Postal Service, in a postpaid, properly addressed and certified wrapper.

D. Any party hereto shall have the right to change the name or address of the person or persons required to receive notices and other documents by so notifying the other party in writing.

19. BREACH BY LESSEE

Lessee shall conduct Lessee's operations in strict compliance with all of the terms and provisions of this lease and with all applicable local, state and federal rules and the regulations of any regulatory body having jurisdiction of such operations including, but not limited to, all local, state and federal environmental rules and regulations.

In the event Lessor considers that operations are not, at any time, being conducted in compliance with this Lease, or any implied covenant of this Lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach of any express or implied covenant or obligation of Lessee hereunder and, Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence compliance with its obligations hereunder. Failure on the part of Lessee to timely commence efforts to rectify any such breach and to exercise diligence in remedying any such breach shall operate as a forfeiture of this Lease as to the portion thereof effected by such breach; provided that if Lessee, in good faith, disputes any alleged grounds of breach set forth in such notice, Lessee may, within said sixty (60) day period, institute a Declaratory Judgment Action in any District Court in a county where all or part of the said Leased Premises are located questioning whether it has in fact breached any expressed or implied covenant of this Lease, thereby staying any forfeiture during the pendency of such action. However, in the event that Lessor obtains a final judicial ascertainment in any such proceeding that Lessee is in breach of any covenant hereof, express or implied, then it is agreed that Lessor shall be entitled to a decree providing for cancellation or forfeiture of the Lease in the event such breach is not rectified or commenced in good faith to be rectified by Lessee within thirty (30) days from date such decree becomes final.

20. IMPLIED COVENANTS

Nothing in this Lease negates the usual implied covenants imposed upon Lessee.

21. TERMS HERITABLE

All of the terms and provisions of this Lease shall extend to and be binding upon the heirs, executors, administrators, successors and authorized assigns of the parties hereto.

22. CAPTIONS

The captions to the various paragraphs of the Lease are for convenience only, to be used primarily to more readily locate specific provisions. They shall not be considered a part of the Lease, nor shall they be used to interpret any of the lease provisions.

23. COUNTERPARTS

This Lease may be executed in multiple counterparts, each of which shall be deemed an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

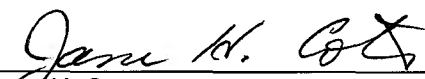
24. FACSIMILE EXECUTION

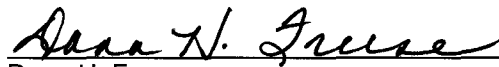
The parties agree that this Agreement may be transmitted between them by facsimile machine. The parties intend that faxed signatures constitute original signatures and that a faxed agreement containing the signatures (original or faxed) of all the parties is binding on the parties.

EXECUTED as of the date of the notarial acknowledgment of the Lessor's execution hereof.

LESSOR:


Robert Haltom


Jane H. Cote



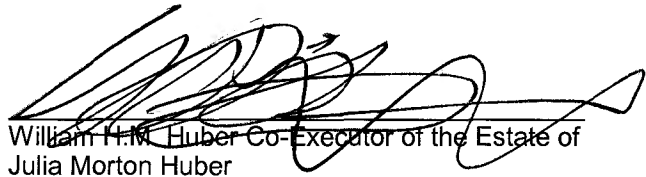
Dana H. Freese

June McAllister, individually and as Independent
Executrix of the Estate of Theodore F. Morton, Jr.

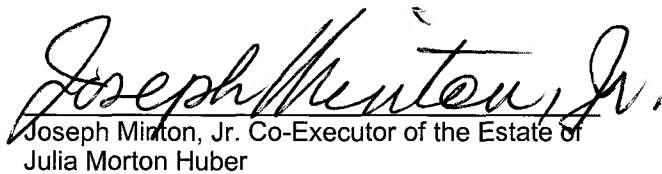
Theodore F. Morton III

Edwin N. Morton

Julia Cara Morton



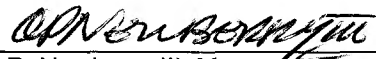
William H.M. Huber Co-Executor of the Estate of
Julia Morton Huber



Joseph Minton, Jr. Co-Executor of the Estate of
Julia Morton Huber

Hazelwood Partners, L.P., a Texas limited partnership

By: Newberry Management, L.L.C., its sole General
Partner

By: 
O. P. Newberry III, Manager

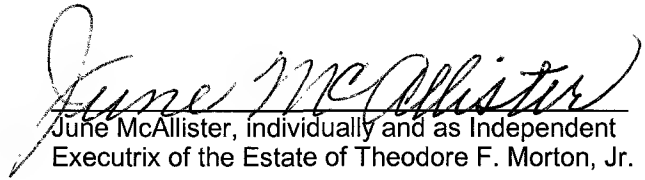

Edna B. Hibbitts by O. P. Newberry III, attorney-in-fact


Edna H. Wright by O. P. Newberry III, attorney-in-fact


William Porter Hibbitts by O. P. Newberry III, attorney-in-fact


John M. Hibbitts by O. P. Newberry III, attorney-in-fact

Dana H. Freese



June McAllister, individually and as Independent
Executrix of the Estate of Theodore F. Morton, Jr.

Theodore F. Morton III

Edwin N. Morton

Julia Cara Morton

William H.M. Huber Co-Executor of the Estate of
Julia Morton Huber

Joseph Minton, Jr. Co-Executor of the Estate of
Julia Morton Huber

Hazelwood Partners, L.P., a Texas limited partnership

By: Newberry Management, L.L.C., its sole General
Partner

By: _____
O. P. Newberry III, Manager

Edna B. Hibbitts by O. P. Newberry III, attorney-in-fact


Edna H. Wright by O. P. Newberry III, attorney-in-fact

William Porter Hibbitts by O. P. Newberry III, attorney-in-fact

John M. Hibbitts by O. P. Newberry III, attorney-in-fact

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Theodore F. Morton III

Edwin N. Morton

Julia Cara Morton

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By: _____
O. P. Newberry III, Manager

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Edna H. Wright by O. P. Newberry III, attorney-in-fact

William Porter Hibbitts by O. P. Newberry III, attorney-in-fact

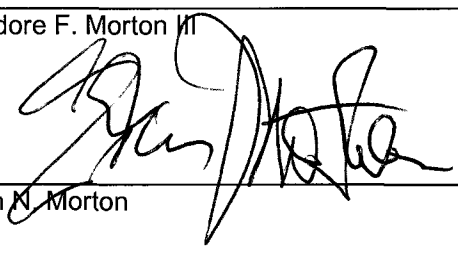
John M. Hibbitts by O. P. Newberry III, attorney-in-fact

Dana H. Freese

June McAllister, individually and as Independent
Executrix of the Estate of Theodore F. Morton, Jr.

Theodore F. Morton III

Edwin M. Morton



Julia Cara Morton

William H.M. Huber Co-Executor of the Estate of
Julia Morton Huber

Joseph Minton, Jr. Co-Executor of the Estate of
Julia Morton Huber

Hazelwood Partners, L.P., a Texas limited partnership

By: Newberry Management, L.L.C., its sole General
Partner

By: _____
O. P. Newberry III, Manager

Edna B. Hibbitts by O. P. Newberry III, attorney-in-fact

Edna H. Wright by O. P. Newberry III, attorney-in-fact

William Porter Hibbitts by O. P. Newberry III, attorney-in-fact

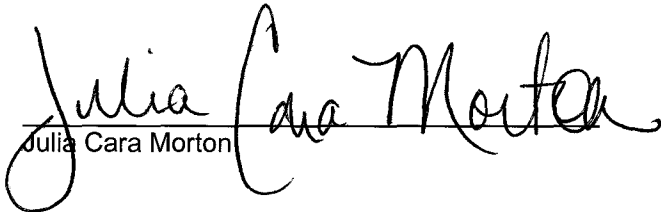
John M. Hibbitts by O. P. Newberry III, attorney-in-fact

Dana H. Freese

June McAllister, individually and as Independent
Executrix of the Estate of Theodore F. Morton, Jr.

Theodore F. Morton III

Edwin N. Morton



Julia Cara Morton

William H.M. Huber Co-Executor of the Estate of
Julia Morton Huber

Joseph Minton, Jr. Co-Executor of the Estate of
Julia Morton Huber

Hazelwood Partners, L.P., a Texas limited partnership

By: Newberry Management, L.L.C., its sole General
Partner

By: _____
O. P. Newberry III, Manager

Edna B. Hibbitts by O. P. Newberry III, attorney-in-fact

Edna H. Wright by O. P. Newberry III, attorney-in-fact

William Porter Hibbitts by O. P. Newberry III, attorney-in-fact

John M. Hibbitts by O. P. Newberry III, attorney-in-fact

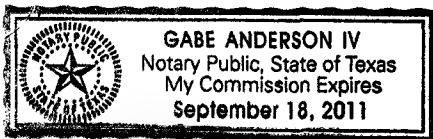
LESSEE:

Dale Property Services, LLC

By: [Signature]
 By: Raley Taliaferro
 As: Vice President of Dale Property Services, LLC

STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

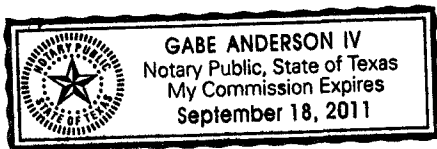
This instrument was acknowledged before me on the 3rd day of June, 2010, by **Robert Haltom**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



[Signature]
 Notary Public for the State of Texas
Gabe Anderson IV
 Printed Name of Notary

STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

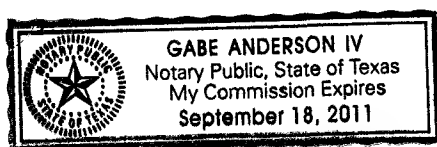
This instrument was acknowledged before me on the 3rd day of June, 2010, by **Jane H. Cote**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



[Signature]
 Notary Public for the State of Texas
Gabe Anderson IV
 Printed Name of Notary

STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

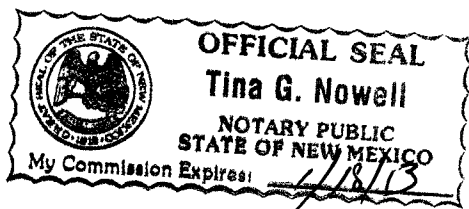
This instrument was acknowledged before me on the 3rd day of June, 2010, by **Dana H. Freese**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



[Signature]
 Notary Public for the State of Texas
Gabe Anderson IV
 Printed Name of Notary

STATE OF NEW MEXICO §
COUNTY OF Lincoln §

This instrument was acknowledged before me on the 8 day of June, 2010, by **June McAllister, individually and as Independent Executrix of the Estate of Theodore F. Morton, Jr.**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



Tina Nowell
Notary Public for the State of New Mexico
TINA NOWELL
Printed Name of Notary

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Theodore F. Morton III**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

Notary Public for the State of _____

Printed Name of Notary

STATE OF CALIFORNIA §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Edwin N. Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

Notary Public for the State of California

Printed Name of Notary

STATE OF NEW MEXICO §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Julia Cara Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

Notary Public for the State of New Mexico

Printed Name of Notary

STATE OF NEW MEXICO §
 §
 COUNTY OF _____ §

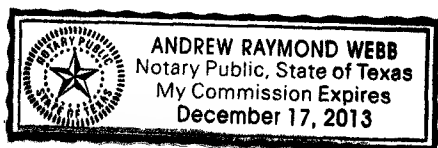
This instrument was acknowledged before me on the _____ day of _____, 2010, by **June McAllister, individually and as Independent Executrix of the Estate of Theodore F. Morton, Jr.**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

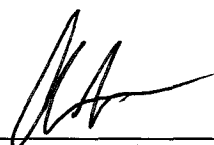
 Notary Public for the State of New Mexico

 Printed Name of Notary

STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

This instrument was acknowledged before me on the 15TH day of JUNE, 2010, by **Theodore F. Morton III**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.





 Notary Public for the State of TEXAS
ANDREW WEBB

 Printed Name of Notary

STATE OF CALIFORNIA §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Edwin N. Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of California

 Printed Name of Notary

STATE OF NEW MEXICO §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Julia Cara Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of New Mexico

 Printed Name of Notary

STATE OF NEW MEXICO §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **June McAllister, individually and as Independent Executrix of the Estate of Theodore F. Morton, Jr.**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of New Mexico

 Printed Name of Notary

STATE OF _____ §
 §
 COUNTY OF _____ §

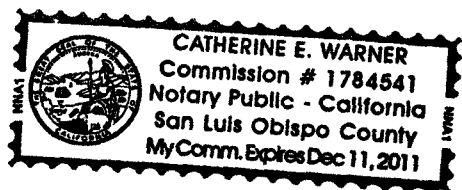
This instrument was acknowledged before me on the _____ day of _____, 2010, by **Theodore F. Morton III**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of _____

 Printed Name of Notary

STATE OF CALIFORNIA §
 §
 COUNTY OF San Luis Obispo §

This instrument was acknowledged before me on the 8th day of June, 2010, by **Edwin N. Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



Catherine E. Warner
 Notary Public for the State of California
Catherine E Warner
 Printed Name of Notary

STATE OF NEW MEXICO §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Julia Cara Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of New Mexico

 Printed Name of Notary

STATE OF NEW MEXICO §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **June McAllister, individually and as Independent Executrix of the Estate of Theodore F. Morton, Jr.**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of New Mexico

 Printed Name of Notary

STATE OF _____ §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Theodore F. Morton III**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of _____

 Printed Name of Notary

STATE OF CALIFORNIA §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by **Edwin N. Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

 Notary Public for the State of California

 Printed Name of Notary

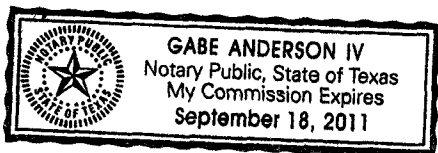
STATE OF NEW MEXICO §
 §
 COUNTY OF Santa Fe §

This instrument was acknowledged before me on the 14 day of June, 2010, by **Julia Cara Morton**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.

Rebecca S. Murphy
 Notary Public for the State of New Mexico
Rebecca S. Murphy
 Printed Name of Notary

STATE OF Texas §
COUNTY OF Tarrant §

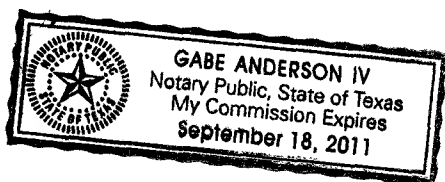
This instrument was acknowledged before me on the 3rd day of June, 2010, by **William H.M. Huber, Co-Executor of the Estate of Julia Morton Huber**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF Texas §
COUNTY OF Tarrant §

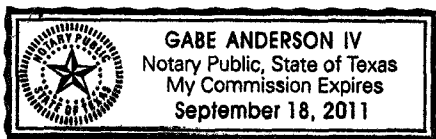
This instrument was acknowledged before me on the 4th day of June, 2010, by **Joseph Minton, Jr., Co-Executor of the Estate of Julia Morton Huber**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF TEXAS §
COUNTY OF TARRANT §

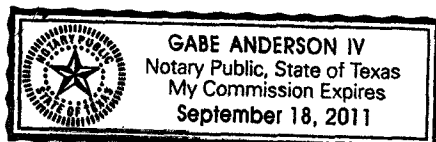
This instrument was acknowledged before me on the 3rd day of June, 2010, by **O. P. Newberry III, Manager of Newberry Management, L.L.C., a Texas limited liability company, sole general partner of Hazelwood Partners, L.P., a Texas limited partnership**, on behalf of said limited liability company, on behalf of said limited partnership.



Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF TEXAS §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 3rd day of June, 2010, by **O. P. Newberry III, attorney-in-fact for Edna B. Hibbits**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



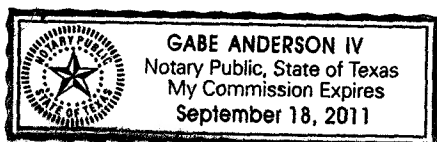
Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF TEXAS

COUNTY OF TARRANT

§
§
§

This instrument was acknowledged before me on the 3rd day of June, 2010, by **O. P. Newberry III, attorney-in-fact for Edna H. Wright**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



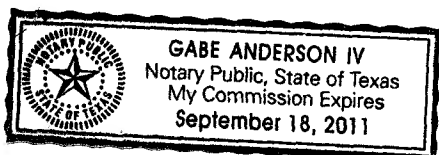
Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF TEXAS

COUNTY OF TARRANT

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This instrument was acknowledged before me on the 3rd day of June, 2010, by **O. P. Newberry III, attorney-in-fact for William Porter Hibbits**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



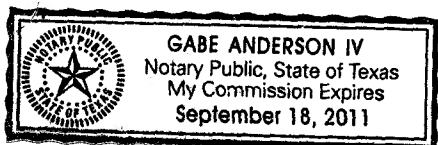
Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF TEXAS

COUNTY OF TARRANT

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This instrument was acknowledged before me on the 3rd day of June, 2010, by **O. P. Newberry III, attorney-in-fact for John M. Hibbits**, known to me personally or proved to me on the basis of satisfactory evidence, for the purposes and consideration therein represented.



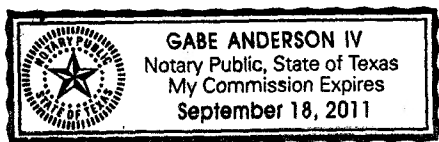
Gabe Anderson IV
Notary Public for the State of Texas
Gabe Anderson IV
Printed Name of Notary

STATE OF TEXAS

COUNTY OF Tarrant ~~DALLAS~~

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This instrument was acknowledged before me on this 16th day of June, 2010, by **Raley Taliaferro**, Vice President of **DALE PROPERTY SERVICES, L.L.C.**, a Texas limited liability company, on behalf of said company.



Gabe Anderson IV
Notary Public in and for the State of Texas

EXHIBIT "A"**(Legal Description of Leased Premises)**

Tract 1: 11.73 acres, more or less, out of the A. Hood Survey, Abstract No. 682, more particularly described by metes and bounds in that certain Deed dated January 1, 1963, by and between Ruth Cree Brown and, Porter Brown; and George Esther Morton and husband, Theodore F. Morton as Grantor, and the State of Texas as Grantee, recorded in Volume 3796, Page 382 of the Deed Records of Tarrant County, Texas.

Tract 2: 1.00 acre, more or less, out of the Wm. Screech Survey, Abstract No. 1416 more particularly described by metes and bounds in that certain Deed dated May 7, 1957, by and between George Esther Morton, and husband, T.F. Morton, Sr. and Ruth Cree Brown, and husband, Porter Brown, as Grantor, and the City of Haltom City, a municipal corporation, as Grantee, recorded in Volume 3114, Page 613 of the Deed Records of Tarrant County, Texas.

Tract 3: 1.23 acres, more or less, out of the Wm. Screech Survey, Abstract No. 1416 more particularly described by metes and bounds in that certain Deed dated September 6, 1967, by and between George Esther Morton, and husband, T.F. Morton, Sr. and Ruth Cree Brown, a widow, as Grantor, and Wetcm Corporation, as Grantee, recorded in Volume 4458, Page 284 of the Deed Records of Tarrant County, Texas.

Tract 4: 2.87 acres, more or less, out of the Wm. Screech Survey, Abstract No. 1416 more particularly described by metes and bounds in that certain Deed March 26, 1965, by and between George Esther Morton, joined pro-forma by her husband, T.F. Morton, Sr. and Ruth Cree Brown, a widow, as Grantor, and Texas Electric Service Company, a corporation, as Grantee, recorded in Volume 4055, Page 181 of the Deed Records of Tarrant County, Texas.

Tract 5: 9.81 acres, more or less, out of the Wm. Screech Survey, Abstract No. 1416 and the G.B. Stanley Survey, Abstract No. 1378, more particularly described by metes and bounds in that certain Deed dated December 14, 1948, by and between George Esther Morton, and husband, T.F. Morton, Sr. and Ruth Cree Brown, and husband, Porter Brown, as Grantor, and Texas Electric Service Company, a corporation, as Grantee, recorded in Volume 2054, Page 441 of the Deed Records of Tarrant County, Texas.

Tract 6: 4.37 acres, more or less, out of the Wm. Screech Survey, Abstract No. 1416 and the G.B. Stanley Survey, Abstract No. 1378, more particularly described by metes and bounds in that certain Deed dated March 27, 1955, by and between George Esther Morton, and husband, T.F. Morton, Sr. and Ruth Cree Brown, and husband, Porter Brown, as Grantor, and Texas Electric Service Company, a corporation, as Grantee, recorded in Volume 2868, Page 471 of the Deed Records of Tarrant County, Texas.

Tract 7: 12.60 acres, more or less, out of the Wm. Screech Survey, Abstract No. 1416 and the G.B. Stanley Survey, Abstract No. 1378, more particularly described by metes and bounds in that certain Deed dated December 14, 1948, by and between George Esther Morton, and husband, T.F. Morton, Sr. and Ruth Cree Brown, and husband, Porter Brown, as Grantor, and Texas Electric Service Company, a corporation, as Grantee, recorded in Volume 2868, Page 449 of the Deed Records of Tarrant County, Texas.

Tract 8: 6.04 acres, more or less, out of the Heirs of S. Sawyer Survey, Abstract No. 1425, more particularly described by metes and bounds in that certain Deed dated February 21, 1967, by and between Evanda P. Haltom, as Grantor, and Bruce H. Daniels and wife, Retha J. Daniels, as Grantee, recorded in Volume 4371, Page 709 of the Deed Records of Tarrant County, Texas.

Tract 9: 5.72 acres, more or less, out of the Wm. Trimble Survey, Abstract No. 1520, more particularly described by metes and bounds in that certain Deed dated October 13, 1966, by and between Evanda P. Haltom, as Grantor, and C. Jack Bean, as Grantee, recorded in Volume 4301, Page 399 of the Deed Records of Tarrant County, Texas.

Tract 10: 5.63 acres, more or less, out of the Wm. Trimble Survey, Abstract No. 1520, more particularly described by metes and bounds in that certain Deed dated April 3, 1967, by and between Evanda P. Haltom, as Grantor, and C. Jack Bean, as Grantee, recorded in Volume 4384, Page 799 of the Deed Records of Tarrant County, Texas

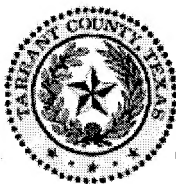
Tract 15: 16.5252 acres, more or less, out of the William Screech Survey, Abstract No. 1416, more particularly described by metes and bounds, of tract 4, in that certain Deed dated July 17th, 1979, by and between T.F. Morton, JR., as independent executor of the Estate of T.F. Morton, SR., T.F. Morton, JR., Individually, Julia Morton Huber and Ruth Haltom Brown, as Grantors, and Booth Creek Investments, Inc., as Grantee, recorded in Volume 6771, Page 1262 of the Deed Records of Tarrant County, Texas.

Tract 16: 2.72 acres, more or less, out of the William Screech Survey, Abstract No. 1416, more particularly described by metes and bounds, in Exhibit "C", of that certain Deed dated October 20th, 2008, by and between Clearview Investments, LTD., A Texas Limited Partnership, Formerly known as Americo Financial, LTD., as Grantor, and Vicki Fields and Spouse, Bruce Fields, as Grantee, recorded in Instrument # D207017334 of the Deed Records of Tarrant County, Texas.

Tract 17: 2.36 acres, more or less, out of the William Screech Survey, Abstract No. 1416, more particularly described by metes and bounds in that certain Deed dated January 18th, 2009, by and between Clearview Investments, LTD., a Texas limited partnership (formerly known as Americo Financial, LTD.), as Grantor, and Dejulian Homes HC, LLC, a Texas Limited Partnership, as Grantee, recorded in instrument # D209027508 of the Deed Records of Tarrant County, Texas.

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9
DALLAS, TX 75201

Submitter: DALE RESOURCES LLC

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 6/21/2010 2:02 PM

Instrument #: D210148977

LSE

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PGS

\$104.00

By: _____

Suzanne Henderson

D210148977

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: AKCHRISTIAN